

BANKING DIVISION[187]

Notice of Intended Action

Proposing rule making related to licensing sanctions regarding student loan debt and providing an opportunity for public comment

The Iowa Division of Banking hereby proposes to amend Chapter 19, “Mortgage Loan Originators,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code sections 17A.3 and 535D.21.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code chapters 17A and 535D.

Purpose and Summary

The proposed amendments will rescind the Division’s rules regarding denying an application for a mortgage loan originator (MLO) license when the applicant is in default or delinquent on student loan debt as determined by the College Student Aid Commission pursuant to Iowa Code chapter 261. In 2019, the Legislature enacted 2019 Iowa Acts, Senate File 304, which repealed Iowa Code sections 261.121 to 261.127, effectively repealing the provisions whereby the College Student Aid Commission could issue a certificate of noncompliance for failure to repay student loans. The proposed amendments reflect the changes made by Senate File 304 and rescind the Division’s rules implementing the now-defunct certificate of noncompliance program.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa, because no existing fees are being changed and no new fees are being added.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Division for a waiver of the discretionary provisions, if any, pursuant to 187—Chapter 12.

Public Comment

Any interested person may submit written comments concerning this proposed rule making. Written comments in response to this rule making must be received by the Division no later than 4:30 p.m. on March 17, 2020. Comments should be directed to:

Zak Hingst
Iowa Division of Banking
200 East Grand Avenue, Suite 300
Des Moines, Iowa 50309-1827
Email: zak.hingst@idob.state.ia.us

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

- ITEM 1. Rescind paragraph **19.3(2)“i.”**
- ITEM 2. Reletter paragraph **19.3(2)“j”** as **19.3(2)“i.”**
- ITEM 3. Rescind and reserve rule **187—19.14(17A,261).**